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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

NOTIFICATION

CHARTERED ACCOUNTANTS

New Delhi, the 16th November, 1953

No. 1-CA(3)/53.—The following draft of certain amendments to the Chartered Accountants Regulations, 1949, which it is proposed to make in exercise of the powers conferred by sub-sections (1) and (3) of Section 30 of the Chartered Accountants Act, 1949 (XXXVIII of 1949), is published for information of all persons likely to be affected thereby and notice is hereby given that the draft will be taken into consideration on or after the 22nd December, 1953.

Any objection or suggestion which may be received from any persons with respect to the said draft before the date specified will be considered by the Council of the Institute of Chartered Accountants of India, New Delhi.

In the said Regulations—

I. Add the following sub-regulation at the end of the existing Regulation 6, namely:—

“(6) Every member, according to his professional address belonging to any such regional constituency as is specified or as may be specified from time to time by the Central Government under clause (a) of sub-section (2) of Section 9 of the Act, shall pay an annual fee of Rs. 5 to the Council towards annual subscription to the Regional Council constituted under Regulation 62-H for the said constituency, which shall be due and payable on the 1st April in each year. The amount so collected shall be transferred to the respective Regional Councils by the Council.”

II. For the existing Regulation 9, substitute the following, namely:—

“9. *Certificate of Practice.*—A member of the Institute may apply to the Council for a certificate entitling him to practise as a Chartered Accountant throughout India. Every application for the grant or renewal of a certificate shall be accompanied by the requisite annual certificate fee and shall be in Form ‘Q’. The Certificate shall be issued in the first instance or for the year 1953-54 in Form ‘F’ or ‘G’, as the case may be, and shall be valid until the 30th June following. On a proper application in Form ‘Q’ for the renewal of the Certificate of Practice for the succeeding twelve months, the validity of the certificate issued in Form ‘F’ or ‘G’, as the case may be, shall be extended from time to time by a certificate in writing by the Secretary in Form ‘T’.”

III. For the existing sub-regulation (2) of Regulation 11C, the following shall be substituted, namely:—

“(2) The Council shall consider the report of the Disciplinary Committee and if in its opinion a further enquiry is necessary, may cause such further enquiry to be made and a further report submitted by the Disciplinary Committee and after considering such further report of the Disciplinary Committee, shall forward the report or reports together with its findings to the High Court.”

IV. For Regulation 15, the following Regulation shall be substituted, namely:—

“15. *Conditions to become a member of the Institute.*—Except as otherwise provided for in the Act or these Regulations, persons wishing to qualify themselves for membership of the Institute shall be required to pass the First and Final Examinations or the Preliminary, Intermediate and Final Examinations, as the case may be, and to complete the practical training, as prescribed in this Chapter.”

V. After Regulation 15, the following Regulation shall be inserted, namely:—

“15-A. *Preliminary Examination.*—(a) (i) No candidate shall be admitted to the Preliminary Examination unless he has passed the Intermediate Examination of any of the Universities mentioned in Clause (v) of Regulation 2 or an examination recognised by the Central Government as equivalent thereto.

Provided that Graduates of any University constituted by Law in India or the Graduate of any other University recognised by the Central Government or those who have already appeared in the First Examination held under the Auditor's Certificates Rules, 1932, or these Regulations, shall be exempted from passing the Preliminary Examination.

(ii) The first Preliminary Examination shall be held in 1955.

(b) Every candidate for admission to the Preliminary Examination shall pay a fee of Rs. 25.

(c) Candidates for the Preliminary Examination shall be examined in the following subjects:

(1) *English.*—1 Paper—3 hours—100 marks.

Precis Writing; Paraphrasing; Composition; Commercial Correspondence and Report Writing. (Question to test the candidate's knowledge of English and his power of expression will be asked. The questions will be such as would test the candidate's imagination, reasoned thought and argument).

(2) *Elements of Book-keeping.*—1 paper—3 hours—100 marks.

Theory and practice of Double Entry Book-keeping; Treatment of bad and doubtful debts; Depreciation; Methods of keeping and presenting accounts; Manufacturing, Trading and Profit & Loss Accounts; Balance Sheets of Sole Traders and Proprietary Concerns; and Bill transactions.

(3) *Elements of Economics and Modern Indian Administration.*—1 paper—2 Sections—100 marks—3 hours.

Section (i) Elements of Economics.—50 marks. Definition and scope of Economics; Want; Wealth; Theories of Value and Price; Production; Theory of Production; National Income; Theories of Rent, Wages and Interest; Theory of Money and Exchange; Banks; and Direct and Indirect Taxation.

Section (ii) Modern Indian Administration.—50 marks.

The Indian Constitution relating to the powers, functions and duties of the Central Government; the Parliament; the State Governments; the State Legislatures; Civil Services (Part XIV); Fundamental Rights (Part III of the Indian Constitution) and Directive Principles of State Policy (Part IV); Finance (Part XII, Chapter I only); Trade, Commerce and Intercourse within the territory of India (Part XIII).

NOTE.—Questions on the reproduction of the provisions of the Constitution will only be asked. It is not intended to test the knowledge of the candidate on the interpretation and explanation of the various provisions.

(4) *Commercial Arithmetic.*—1 paper—3 hours—100 marks.

Arithmetic.—Rapid Calculations, i.e. short methods of addition and subtraction, division and multiplication; Average Due date; Elementary principles and processes of Arithmetic; Vulgar and Decimal Fractions; English and Metric System for Measurement of Length—Area—Volume—Capacity—Weight—time; Averages; Ratio and Proportion; Percentages. Simple and Compound Interest; Present worth and Discount; Profit & Loss; Stocks and Shares; and Foreign Exchange.

(5) *Economic & Commercial Geography*.—1 paper—3 hours—100 marks.

The influence of physical environments and natural resources on Economic Development; Location; Configuration; Drainage, Climate; Soil and Vegetation; Agriculture; Subsistence Farming; Commercialized and Mixed Farming; Dairying; Horticulture; Sericulture; Plantation; Adjustment to animal life and forest vegetation; Extractive Industries: Quarrying; Mining; Manufacture; Markets: Transport and Trade Routes by Land, Sea and Air; Ports and their Hinterland; Staples of World Trade; Conditions of Production; Climate and Soil Requirements; Geographical Products; Methods of Production; Mineral Products; Ores and Extraction of Minerals; Use of Minerals; and Manufacture.

Man and his Environments; Population and Population Movements; Distribution of Population in different regions; and Density of Population. (The above topics to be studied with general reference for comparative purposes to the main geographical regions of the world and with particular reference to India and Pakistan.)

(d) A candidate shall ordinarily be declared to have passed in the Preliminary Examination if he obtains at one sitting a minimum of 40 per cent. of the total marks in each paper and an aggregate of 50 per cent. of the total marks of all the papers.

VI. For Regulation 17, the following Regulation shall be substituted namely.—

“17. *Admission to First Examination*.—(1) No candidate shall be admitted to the First Examination unless he:—

(a) is a Graduate or has passed the All India Diploma in Commerce Examination or the National Diploma in Commerce Examination held by the All India Board of Technical Studies in Commerce and Business Administration and/or the All India Council of Technical Education with Auditing as special subject; or

(b) produces evidence to the effect that he was at any time admitted to the Examination for the Government Diploma in Accountancy held by the Accountancy Board, Bombay, or was eligible for admission to that examination; or

(c) was admitted at any time to the First Examination held under the Auditor's Certificates Rules, 1932, provided that this clause shall not apply to any First Examination held under these Regulations after the year 1954; or

(d) has either—

(i) entered into service under articles before 1st July, 1949; or

(ii) rendered Military Service in connection with a war in which the Government of India was involved and has passed the Matriculation Examination of any of the Universities mentioned in clause (v) of Regulation 2 or an examination recognised by the Central Government as equivalent thereto; or

(iii) has passed the Intermediate Examination of any of the Universities mentioned in clause (v) of Regulation 2 or an examination recognised by the Central Government as equivalent thereto; and produces either—

(a) a certificate in Form ‘H’ in the Schedule or in the form given in Appendix 4 of Auditor's Certificates Rules, 1932 from the head of an institution recognised in this behalf by the Council or by the Central Government to the effect that he has, subsequently to the passing of such examination, studied for one academic year at such institution and is otherwise fit to present himself for the said First Examination; or

(b) a certificate to the effect that he has served for not less than seven years either wholly as an audit clerk or partly (but for not less than three years) as such clerk and partly as an articled clerk.

Explanation.—For the purpose of this clause, six months' service as an articled clerk shall be reckoned as one year's service as audit clerk or *vice versa*, fractions of a period less than six months being ignored;

Provided that a candidate who produces a certificate in the form given in Appendix 4 to the Auditor's Certificates Rules, 1932, in respect of the period of study prior to the year 1946-47 and who had taken up service as an audit clerk before 1st October, 1945, shall be eligible for admission to the said First Examination on passing the Intermediate or an equivalent examination.

Explanation.—For the purpose of sub-clause (ii) of clause (d), ‘Military Service’ means service which is subject to the Indian Army Act, Indian Air Force Act or Indian Navy (Discipline) Act.

(2) No examination under this Regulation shall be held after 1st July, 1956".

VII. For Regulation 19, substitute the following Regulation, namely:—

"19. *Papers and Syllabus*.—Candidates for the First Examination shall be examined in the following subjects and every candidate will be required to obtain for a pass not less than 50 per cent. of the total marks in all the papers put together at one sitting."

Paper (i) *Book-keeping*.—3 hours—100 marks.

Short methods of calculation; Theory and practice of Single and Double Entry Book-keeping including the preparation of Production, Trading and Profit and Loss Accounts and Balance Sheets.

Paper (ii) *Accountancy and Auditing*.—3 hours—100 marks.

Consignment and Joint Accounts; Partnership and Company Accounts; Departmental and Branch Accounts and General Principles of Auditing.

Paper (iii) *Mercantile Law and Company Law*.—3 hours—100 marks.

Law relating to Contracts, Sale of Goods, Partnership, and Elements of Company Law.

Paper (iv) *General Commercial Knowledge*.—3 hours—100 marks.

Chapter parties; Bill of Lading; Fire and Marine Insurance; Bills; Cheques; Documents of Title to Goods, Stocks; Shares and other securities; Commercial Correspondence and Elements of Secretarial Practice

The above particulars are intended as a general guide to questions which may be asked in each paper."

VIII. After Regulation 19, the following Regulations shall be inserted, namely:—

"19A. *Intermediate Examination*.—(a) This examination shall be held after 1st July 1956.

(b) No candidate to this examination shall be admitted unless he:—

(i) is a graduate; or

(ii) has passed the Preliminary Examination; or

(iii) has admitted to the First Examination conducted under the Auditor's Certificates Rules, 1932, or under these Regulations; and

has either completed such period of service as an articled clerk or as an audit clerk or partly as an articled clerk and partly as an audit clerk as is required under Regulation 31 for admission as a member of the Institute or is serving the last thirty months of articled service or last sixty months of audit service, as the case may be.

Explanation.—For the purpose of computing the period of practical training six months' service as an articled clerk shall be reckoned as one year's service as audit clerk or *vice versa* and fractions of less than six months being ignored.

19B. *Intermediate Examination Admission Fee*.—Every candidate for admission to the Intermediate Examination shall pay a fee of Rs. 50.

19C. *Papers and Syllabus for Intermediate Examination*.—Candidates for the intermediate Examination shall be examined in the following subjects and every candidate will be required to get at one sitting a minimum of 40 per cent. in each paper and 50 per cent. in the aggregate in all papers to obtain a pass.

Paper (i) *Accounting*.—3 hours—100 marks.

The Theory and Practice of Single and Double Entry Book-keeping and Accounts; Principal and Subsidiary Books of Accounts; Methods of keeping and presenting Accounts; The terms used in Book-keeping and Accounting Bill Transactions; Accounts-Current and Average Due Date; Self Balancing Ledgers; Goods on Sale or Return; Hire-Purchase and Instalment System; Departmental and Branch Accounts (excluding Foreign Branches); Consignment and Joint Ventures; Trial Balance; Receipts and Payments and Income and Expenditure Accounts; Manufacturing, Trading and Profit and Loss Accounts and Balance Sheet. (Atleast one question will be asked on theory.)

Paper (ii) *Accounting*.—3 hours—100 marks.

Partnership Accounts; Limited Company Accounts and Appropriation Accounts and Balance Sheet; Valuation and Treatment of Goodwill; System and Maintenance of Stock records and Valuation of Stock-in-Trade; Nature and Methods

of Depreciation; Capital and Revenue, including Deferred Revenue Expenditure; treatment of Bad and Doubtful Debts; Sinking Funds; Provisions; Reserves and Reserve Funds; Simple Accounting Ratios on Manufacturing, Trading and Profit and Loss Accounts.

Paper (iii).—*Auditing*.—3 hours—100 marks.

The Principles of Auditing including Audit Programme; Internal Audit; Verification of Assets and Liabilities; Technique of Auditing; Test Checks; Auditing of accounts of Private Concerns and Partnership, Educational, Charitable and other Institutions and Limited Liability Companies (excluding divisible profits).

Paper (iv).—*Mercantile Law and Company Law*.—3 hours—100 marks.

The Law relating to Contracts, Sale of Goods, Partnership and Companies, other than Banking and Insurance Companies (excluding Winding up Section of Companies Act). (At least two questions will be asked on Company Law).

Paper (v).—*General Commercial Knowledge*.—3 hours—100 marks.

Commercial Correspondence and Elements of Secretarial Practice; Office and Counting house Routines; Commercial and Insurance Terms; Stock Exchange Terms and the Practice in the Purchase and Sale of Shares; Securities, etc.; the Purchase, Sale Storage and Conveyance of Goods, (Home, Import and Export); the use of Hundies; Cheques; Bills of Exchange; Bills of Lading; Charter Parties; Railway Receipts; Fire and Marine Insurance. (At least one question on Commercial Correspondent and one question on Secretarial Practice will be asked).

IX. For Regulation 20, substitute the following Regulation, namely:—

"20. *Admission to Final Examination*.—No candidate shall be admitted to the Final Examination unless he

- (i) has either passed the Intermediate Examination or First Examination under these Regulations or under Auditor's Certificate Rules, 1932, or is exempted by Regulation 16 from passing the First Examination, and
- (ii) has either completed such period of service as an articled clerk or as an audit clerk or partly as an articled clerk and partly as an audit clerk as is required under Regulation 31 for admission as a member of the Institute or is serving the last twelve months of such period in the case of those appearing before 1st July, 1956 or is serving the last six months of such period in the case of those appearing after 1st July, 1956:

Provided that in the case of every candidate an interval of not less than eleven months shall have elapsed between the date of his passing the First Examination or the Intermediate Examination, as the case may be, and the commencement of the Final Examination."

X. For Regulation 21, substitute the following Regulation, namely:—

"21. *Final Examination admission fee*.—Every candidate for admission to both the groups and only one group of the Final Examination shall pay a fee of Rs. 75 and Rs. 50 respectively and a candidate who has been exempted under Regulation 16 from passing the First Examination shall pay an additional fee of Rs. 50 when he applies for admission for the first time to the Final Examination."

XI. For Regulation 22, substitute the following Regulation, namely:—

"22. *Groups, Papers and Syllabus*.—(1) Candidates for the Final Examination to be held before 1st July, 1956 shall be examined in the following subjects and groups. Every candidate shall be required to pass in both the groups. A candidate who passes in a Group will not be required to pass in the same Group again and may appear in the Group in which he has failed in any subsequent examination.

A candidate who has passed in one Group of the Final Examination held under the Auditor's Certificate Rules, 1932, will not be required to pass in that group again, provided that he had not appeared and failed in any subsequent examination in the group in which he had already passed.

Group I.—*Advanced Accounting and Auditing*.—(Four papers of three hours each).

Paper (i).—*Advanced Accounting*.—Including knowledge of accounts in connection with flotation, reconstruction, amalgamation and liquidation of companies; Partnership Accounts; Insolvency and Bankruptcy Accounts.

Paper (ii).—*Advanced Accounting*.—Including knowledge of Accounts of Banks, Insurance Companies and Electricity Companies; Double Account System.

Paper (iii).—*Taxation and Cost Accounting*.—Income-tax; Theory and practice of Costing; Stores Ledger; Labour; Wages; Standard Costs.

Paper (iv).—*Auditing*.

Group II.—*Mercantile Law, Company Law and Economics*.—(Three papers of three hours each).

Paper (i).—*Mercantile Law*.—Including the law relating to Negotiable Instruments; Arbitration and Awards; Insolvency; Rights and Duties of Liquidators, Trustees and Receivers.

Paper (ii).—*Company Law*.—Including law relating to special classes of companies and Income-tax Law.

Paper (iii).—*Economics*.—Elements of Economics including Currency, Banking and Foreign Exchange.

The above particulars are intended as a general guide to questions which may be asked in each paper.

(2) Candidates for the Final Examination to be held after 1st July, 1956 will be examined in the subjects comprised in the following two Groups and every candidate shall be required to pass in both the Groups. A candidate who passes the examination in only one Group shall be allowed four more attempts at the immediately following next four examinations to pass the other Group without being required at the same time to sit for the Group in which he has passed. If he then fails to pass in the remaining Group, he shall be required to pass in both the Groups when he next sits for the examination.

A candidate who passes in one group of the Final Examination held under these Regulations or under the Auditor's Certificates Rules, 1932, prior to 1st July, 1956, will be permitted four more attempts at the next four examinations commencing from the one held immediately after the abovesaid date, to pass the other group without being required at the same time to sit for the group in which he has passed, provided further he had not appeared and failed in any subsequent examination in the Group in which he had already passed.

Group I.—*Advanced Accounting and Auditing*.

Paper (i).—*Advanced Accounting*.—3 hours—100 marks.

Including knowledge of systems of accounting of commercial enterprises; Double Account System (with reference to Electric Companies only); Educational, Charitable and other Institutions; Manufacturing, Trading and Profit and Loss and Appropriation Accounts; Balance Sheets; Partnership Accounts; Accounts of Limited Companies, including Formation, Reorganisation, Reconstruction, Amalgamation and Liquidation of Companies.

Paper (ii).—*Advanced Accounting*.—3 hours—100 marks.

Including knowledge of accounts of Banking Companies, Insurance Companies, Mining Companies, Collieries, Holding and Subsidiary Companies; Accounts of Doctors, Lawyers, Solicitors and Accountants; Departmental and Branch Accounts, including Foreign Branches; Preparation of Accounts from Incomplete Records; Preparation of Financial Statements; Their use and interpretation; Use of Accounting Ratios, including Solvency Ratios, Capital Ratios, Inventory Ratios and Composite Ratios; Elements of Machine Accounting.

Paper (iii).—*Taxation*.—3 hours—100 marks.

Law and Practice of Income Tax and Estate Duty, including practical problems.

Paper (iv).—*Cost Accounts and Statistics*.—3 hours—100 marks.

Costings.—Objects and Advantages of Costing; Elements of Cost; Books and Records to be maintained; Pricing of Materials; Recording and Control of Materials; Requisitions, Bin, Cards and Store Ledgers; Reconciliation of Cost and Financial Accounts; Methods of Costing and Appropriate Industries to which they are applicable; Budgetary Control; Control Accounts; Graphic Presentation; Elements of Factory Organization.

Wastage, Shrinkage, Scrap, etc. Recording of Labour; Various Methods of Payment of Wages; Idle time; Chargeable Expenses; Overhead Charges inside and outside the Factory; Basis for allocation of over-heads; Machine Hour Rate; Standard Costs; Different Methods of Costing.

Statistics.—Meaning and Scope of Statistics; Fundamental Principles; Utility to other Branches of Arts and Science and particularly Trade and Commerce; Limitations; Methods of Investigations and their relative importance; Statistical Enquiry—Purpose and Utility; Organisation and Questionnaires; Their Types and their Drafting; Tabular Presentation of the Matter; Essentials of good tables; Methods of Tabulation including Electric Tabulation; Types of Tables; Stubs and Captions.

Averages; Meaning; Different Types; Mean, Median and Mode and Weighted Averages; Merits and Demerits of each Type; Moving Averages; Statistical Co-efficient for Relative Dispersion; Skewness.

Sampling, Chance and Deliberate Sampling; Law of Statistical Regularity and Inertia of large Numbers; Statistical Error; Sources of Errors; Relative and Absolute Errors; Biased Errors; Fallacies and their causes; Accuracy Standard adopted Approximation.

Paper (v).—*Auditing*.—3 hours—100 marks.

Including Audits of Private Concerns, Partnership and Joint Stock Companies and Co-operative Societies, Holding and Subsidiary Companies, Banking Companies; Insurance Companies. Investigation into and criticism of accounts; Audit Reports; Divisible Profits including Treatment of Dividend and Reserves; Rights, Duties and Liabilities of Auditors; Verification and Valuation of Assets; Detection and Prevention of Frauds and Errors; Organisation of Accounts Department.

Group II.—*Mercantile Law, Company Law and Economics*.

Paper (i).—*Mercantile Law*.—3 hours—100 marks.

Including the Law relating to Negotiable Instruments; Arbitration and Awards; Insolvency; Rights and Duties of Liquidators; Trustees and Receivers; Insurance Law; Electricity (Supply) Act, 1948 and Societies Registration Act.

Paper (ii).—*Company Law*.—3 hours—100 marks.

Company Law including winding up of Companies; Banking and Insurance Companies Acts.

Paper (iii).—*Economics*.—3 hours—100 marks.

(i) Nature and Significance of Economic Science; Meaning of Economic Terms; Nature of Wealth and Capital; Allocation of Factors of Production to alternative uses; Crisis; Competition and Monopoly; Population and Productivity; Effects of Inventions and Scientific Developments; Production and Distribution in an Exchange Economy; Theories of Value; the Marginal Principle and the Law of Substitution; Theories of Wages, Rent, Profits and Interest; Money and Banking; Nature and Functions of Money; the value of Monetary Units; Currency and Credit System; the Banking System and Money Markets; Central Banks; Effects of Rising and Falling Prices; Theory of International Trade; Tariffs; the Effects of different Currencies and Banking Systems on the Foreign Exchanges; Foreign Exchanges and the Balance of payments; the Economic functions and activities of States; Public Finance and Principles of direct and indirect Taxation; Stock Exchange, Money Markets Investments; Company Finance and Capital Structure.

(ii) Indian Economics, i.e. Modern Economic Development of India in Agriculture; In Industry, including private and State owned and State managed Industries; In trade and Commerce including Foreign and Internal Trade; In Currency, Banking and Foreign Exchange and the Reserve Bank of India; Public Finance, including the Central Government and the State Governments.

(3) (a) In the case of Final Examination to be held prior to 1st July, 1956, a candidate shall ordinarily be declared to have passed in a Group of the Examination held under these Regulations if he obtains 50 per cent. of the total marks in that Group at one sitting.

(b) In the case of Final Examinations to be held after 1st July, 1956, a candidate shall ordinarily be declared to have passed in a Group if he obtains at one sitting a minimum of 40 per cent. of the total marks in each paper of the Group and an aggregate of 50 per cent. of the total marks of all papers in that Group."

XII. For Regulation 27, substitute the following Regulation, namely:—

"27. *Examination Certificates*.—Every candidate passing the Preliminary, First, Intermediate and Final Examination shall be furnished with certificate to that effect in Forms, 'U', 'I', 'V' and 'J' respectively."

XIII. For Regulation 28, substitute the following Regulation, namely:—

"28. *Examination Results.*—(i) A list of successful candidates shall be published in the *Gazette of India* in alphabetical order after each examination. Each candidate shall be individually informed of his result. The names of candidates obtaining distinction in the examination shall be indicated in the list.

(ii) The Council may vary the minimum pass marks at its discretion for all the examinations.

(iii) A candidate obtaining 70 per cent. of the total marks of all the papers of the examination at one sitting shall be deemed to have passed the examination with distinction.

(iv) If a candidate who has been declared unsuccessful in an examination desires to have his particular paper or papers revalued, he should apply within one month of the declaration of the results to the Council along with a fee of Rs. 250 for each paper. If as a result of such revaluation, the candidate is found to have passed in the examination as a whole as far as the Preliminary, First or Intermediate Examination is concerned, and in the particular Group of the Final Examination, the fee paid by him shall be refunded to him in full.

(v) All unsuccessful candidates will be informed of the paper or papers in which they have failed to secure 50 per cent. of the total marks of the paper.

(vi) The marks obtained by a candidate in any particular paper or papers at any examination conducted under these Regulations will be intimated to him on payment of a fee of Rs. 2 only for each paper."

XIV. For Regulation 31, substitute the following Regulations, namely:—

"31. *Practical Training.*—A person who has entered into articles or audit service prior to 1st July, 1956 and who has passed the examination prescribed in this Chapter or recognised as equivalent thereto shall not be eligible for membership of the Institute unless he produces a certificate in Form 'K', 'K-1', or 'K-2' in the Schedule from a member in practice or a Registered Accountant entitled or permitted to train articled clerks under the Auditor's Certificates Rules, 1932, to the effect that he:

(a) has served as an articled clerk with that member or the Registered Accountant or partly with the member and partly with that Registered Accountant for the total period specified below:—

(i) in the case of a person who has passed the Degree Examination of any of the Universities mentioned in clause (v) of Regulation 2 and has either taken Accountancy, Auditing and Mercantile Law or Commercial Law along with his subjects for the Degree Course or has secured a minimum of 60 per cent. of the total marks in all the papers at one sitting in the Degree Examination—3 years,

(ii) in the case of a person who, before the 31st December, 1934, has passed the examination prescribed for the Government Diploma in Accountancy or an examination recognised as equivalent thereto by the Regulations for the award of the Government Diploma in Accountancy—3 years,

(iii) in the case of a person who appeared and failed at any of the examinations held in the years 1932, 1933 and 1934 as provided in sub-regulation (ii) and was in consideration of such appearance and failure admitted to any of the final examinations held under the Auditor's Certificates Rules, 1932, in the years 1935, 1936 and 1937 and passed it and whose apprenticeship under the Regulations for the award of the Government Diploma in Accountancy was registered with the Accountancy Diploma Board, Bombay, before 1st April, 1933 or whose articles were registered with the Government of India under rule 42 of the Auditor's Certificates Rules, 1932, before that date—3 years,

(iv) in the case of any other graduate—4 years,

(v) in the case of a person who has passed the All India Diploma in Commerce Examination held by the All India Board of Technical Studies in Commerce and Business Administration and/or the All India Council for Technical Education with auditing as special subject—4 year,

(vi) in any other case—5 years.

(b) has served as an audit clerk for the period prescribed below:—

(i) in the case of a person referred to in sub-clauses (i), (ii) and (iii) of (a) above—6 years,

- (ii) in the case of a person referred to in sub-clauses (iv) and (v) above—8 years, and
- (iii) in any other case—9 years; or

(c) has served partly as an articled clerk and partly as an audit clerk for the total period as specified in clause (b), the period of service as an audit clerk being not less than two years in the case of a person referred to in sub-clause (i) or sub-clause (ii) of that clause and not less than three years in any other case:

Provided that for the purposes of computing the total periods specified in clause (c) complete six months' service as an articled clerk shall be reckoned as one year's service as an audit clerk and *vice versa* and fractions of a period less than six months shall be ignored.

31A. *Practical Training (continued).*—A person who has entered into articles or audit service after 1st July 1956 and has passed the examination prescribed in this Chapter or recognised as equivalent thereto shall not be eligible for membership of the Institute unless he produces a certificate in Form 'K', 'K-1' or 'K-2' in the Schedule from a member of the Institute in practice and entitled to train articled clerks to the effect that he:—

- (a) has served as an articled clerk for a total period of 4 years; or
- (b) has served as an audit clerk for a total period of 8 years; or
- (c) has served partly as an articled clerk and partly as an audit clerk for the total period as specified in clause (b).

Provided that for the purpose of computing total periods specified in clause (c) complete six months' service as an articled clerk shall be reckoned as one year's service as an audit clerk and *vice versa* and fractions of a period less than six months shall be ignored.

31B. *Practical Training (continued).*—The Council may direct that any applicant for enrolment as a member to whom Regulation 31 or Regulation 31-A applies shall be deemed to have complied with the requirements thereof if he has produced:—

- (i) affidavits of not less than two persons and other credible evidence to prove to the satisfaction of the Council that the applicant has served either as an articled clerk or as an audit clerk for the appropriate period, but is unable to produce a certificate in the prescribed form signed by the Accountant with whom he served by reason of the death or infirmity of the Accountant or for other sufficient cause; and
- (ii) a certificate signed by a Justice of the Peace, a District or Presidency Magistrate or an accountant entitled to train articled clerks under these Regulations to the effect that the applicant is a person of good character."

XV. For Regulation 35, substitute the following Regulation, namely:—

"35. *Admission to articleship.*—A member entitled to train articled clerks under these Regulations shall, before accepting a person for service under articles with him, satisfy himself that his professional practice or that of his employer if he is a salaried employee of a Chartered Accountant or a firm of Chartered Accountants, is suitable for the purpose of enabling him to train articled clerks and that such person:—

(a) is not less than sixteen years of age on the date of commencement of his articles, and

(b) if taken prior to 1st July, 1956, has passed the Intermediate Examination of any of the Universities mentioned in clause (v) of Regulation 2 or an examination recognised by the Central Government as equivalent thereto, or has passed the examinations mentioned in sub-clauses (ii), (iii) and (v) of Clause (a) of Regulation 31 or the First Examination under the Auditor's Certificates Rules, 1932, or under these Regulations, or

(c) if taken on or after 1st July, 1956,

(i) has passed a degree examination of any University constituted by Law in India or an examination recognised by Government as equivalent thereto,

or

(ii) has passed the Preliminary Examination, the First or the Intermediate Examination under these Regulations.

Provided that nothing contained in this Regulation shall prevent him from taking as an article clerk one who had previously entered into articles prior to 1st July, 1956."

XVI. For Regulation 41, substitute the following Regulation, namely:—

"41. *Assignment of articles.*—(1) Articles may by agreement between the article clerk and his employer be assigned to another employer. Such an assignment shall be in Form 'N' and shall be subject to the provisions of Regulation 36.

(2) Articles may, by agreement between the clerk and his employer, be terminated and the article clerk may enter into fresh articles with another member entitled to train article clerks for the remainder of his term of service. Such fresh articles shall be subject to the requirements contained in Regulation 36 but the Council may refuse to register the articles until such time as it is satisfied that that termination was by agreement.

41A. *Extension of Articles.*—Every article clerk who has taken leave in excess of the period allowed under the deed of articles entered into by him shall be required to serve for a period equivalent to the excess leave taken immediately on the expiry of the original term of articles under the same employer and for this purpose execute a supplementary deed of articles in Form 'W' of the Schedule. The supplementary deed should be duly stamped and should reach the office of the Institute within 60 days of the expiry of the original term of articles. No fee shall be charged for its registration."

XVII. For Regulation 42A, substitute the following Regulation, namely:—

42A. *Registration of Audit Service.*—(1) A Chartered Accountant before taking a person for service as an audit clerk shall satisfy himself that such person:—

- (a) is not less than 16 years of age on the date of commencement of service as an audit clerk, and
- (b) if taken prior to 1st July, 1956, has passed the Intermediate Examination of any of the Universities mentioned in clause (v) of Regulation 2 or an examination recognised by the Central Government as equivalent thereto, or has passed the examination mentioned in Clause (ii) or Clause (iii) or clause (v) of sub-regulation (a) of Regulation 31:

Provided that sub-clause (b) shall not apply in the case of a person who had taken up service as an audit clerk before 1st July, 1949, and had appeared at any time for the First Examination under the Auditor's Certificates Rules, 1932, or under these Regulations or had entered into articles before 1st July, 1949, under a Registered Accountant entitled to train article clerks.

- (c) if taken on or after 1st July, 1956, has passed a degree examination of any University constituted by Law in India or has been recognised by Government as equivalent thereto or has passed the Preliminary Examination, the First or the Intermediate Examination under these Regulations or has entered into audit service prior to 1st July, 1956.
- (2) A Register of audit clerks shall be maintained by the Council.
- (3) Every employer shall send to the Council for registration particulars regarding the name and address of the employer, father's name, full name and address, date of birth and educational qualifications of the audit clerks serving under him in Form 'R' with the date of commencement of such service:—
 - (a) in the case of audit clerks who had been in such service prior to the commencement of these Regulations before 31st August, 1950.
 - (b) in the case of audit clerks taking up such service after the commencement of these Regulations within two months from the date of commencement of such service or before 31st August, 1950, whichever is later.
- (4) No audit clerk shall, during the period of his service as an audit clerk, engage, except with the permission of the Council, in any other business or occupation.
- (5) Every employer shall, on completion, discontinuance, or termination or otherwise of the service of an audit clerk in his employment forthwith send a report to that effect to the Council and shall issue to the audit clerk a certificate in Form 'K-2' for the service rendered under him/them. Except in the case of a completion report such report shall have been signed wherever practicable by both the employer and the audit clerk.

(6) Every audit clerk shall, before his name is entered in the Register of Audit Clerks, pay to the Council a registration fee of Rs. 20 which sum shall be remitted along with the intimation which the employer has to send to the Council for the registration of the service as an audit clerk:

Provided that in the case of termination of service of an audit clerk, where the audit clerk enters into such service immediately with another member of the Institute and the latter intimates to the Council within two months from the date on which the service of the audit clerk was terminated, no fresh registration fee shall be payable:

Provided further that the Council shall have discretion to remit the registration fee in cases where they are satisfied that there were reasonable grounds for the termination not being sent within the prescribed time or not being sent at all.

(7) For the purpose of the Regulation 31, subject to the proviso to sub-regulation (1), services rendered as an audit clerk will be counted:—

- (a) where the audit clerk has been registered within the time prescribed by sub-regulation (3), from the date of commencement of service;
- (b) in any other case from a date 60 days prior to the date of receipt in the office of the Institute of the application for registration, of the audit clerk under sub-regulation (3).

(8) For the purposes of calculating the period of audit service referred to in Regulation 31, any leave granted in excess of the following shall not be recognised as audit service for the purposes of the said Regulation:

- (i) 1/11 of the service actually rendered as earned leave;
- (ii) In the case of illness, on production of a certificate from a Registered Medical Practitioner, additional period aggregating not more than 1/22 of the period of service actually rendered; and
- (iii) While appearing for the first time for the Final Chartered Accountants Examination 1/22 of the service actually rendered.

In all the cases the employer, while giving the certificate in Form 'K-2', shall give another certificate indicating the actual period of leave granted under each of the above three categories."

XVIII In Regulation 46, for the words "every hundred" substitute for following words namely:—

"Every hundred and fifty".

XIX. Add the following clause and proviso after the proviso to clause (f) of Regulation 627(1) namely:—

"(g) Admission of Fellows, removal and restoration of names of members cancellation of Certificates of Practice, issue of Certificates of Membership, prosecution of members on the findings of the Council, granting permission for Chartered Accountants or firms of Chartered Accountants to have branch offices in India without being in separate charge of a member of the Institute until the Council decides the matter, publication of list of members and issue of Journal.

Provided, however, that the Council shall always have the power to review any decision of the Executive Committee in exercise of its above mentioned functions."

XX. In Regulation 62G, after clause (5) add the following clause and proviso namely.

"(6) The Examination Committee may delegate any of its functions to the President or the Vice-President.

Provided, however, that the Council shall always have the power to review any decision of the Examination Committee in exercise of its above mentioned functions."

XXI. For the present Regulation 81, the following new Regulation shall be substituted namely:—

"81. *Issue of Duplicate Certificates.*—In the event of the loss by the holder of a Certificate in any of the Forms in 'D', 'E', 'F', 'G', 'T', 'J', 'U' and 'V', the Council may, on application made in this behalf, duly supported by affidavits of two members of the Institute other than the applicant to the effect that the person concerned was in possession of such a Certificate, issue duplicate copy thereof to him in receipt of a fee of Rs. 10 for a duplicate copy of any Certificate in Form 'D', 'E', 'F', 'G' or 'T' and Rs. 5 for a duplicate copy of any Certificate in Form 'J', 'U', or 'V'.

Provided that in the event of damage to the Certificate, the Council may, on application made in this behalf, issue a duplicate copy thereof to him on receipt of the fee prescribed above and on return of the damaged certificate."

XXII. After Regulation 85, the following new Regulations shall be added, namely:—

"86. *Powers and duties of the President and Vice-President.*—The President shall exercise such powers and perform such duties as are contained in the provisions of the Act and these Regulations, and as may be delegated by the Council and/or the Standing Committees from time to time. The President may direct any business to be brought before the Council or the Standing Committees for consideration.

If the office of the President is vacant or if the President for any reason is unable to exercise the powers or perform the duties of his office, the Vice-President shall act in his place and shall exercise the powers and perform the duties of the President."

"87. *Powers and duties of the Secretary.*—Subject to the general supervision of the President and/or the Standing Committees concerned, the Secretary shall exercise and perform, in addition to the powers and duties, specifically mentioned in the Act and/or these Regulations in this behalf, the following powers and duties, namely:—

- (1) Being in charge of the office of the Institute as the Executive Head, managing it and attending to all correspondence, etc.
- (2) Enrolment of Associates under the Act.
- (3) Sanctioning and renewing of Certificates of Practice for Associates and Fellows
- (4) Granting of permission to members to be engaged in other occupations besides the practice of the profession of Accountancy under Regulation 79 of these Regulations within the categories permitted by the Council.
- (5) Maintenance of all the Registers, documents and forms as required by the Act and these Regulations.
- (6) Being in charge of all the property of the Institute.
- (7) Making necessary arrangements for receiving moneys due to the Council and also issuing receipts therefor.
- (8) Incurring of all revenue expenditure within the limits sanctioned by the Council or the Committees.
- (9) Causing proper accounts to be maintained and delivering of accounts books, information, etc. to the auditors appointed by the Council for the purpose of audit of the accounts of the Institute.
- (10) Making all other payments as sanctioned by the Council, Committees and/or the President.
- (11) Payment of salary and allowance to the members of the staff, granting of leave, etc., to them, and sanctioning their increments, within the prescribed scales subject to the approval of the President.
- (12) Exercising of disciplinary control over the staff except dismissal which should have the sanction of the President.
- (13) Admitting candidates to the examinations held under the Chartered Accountants Regulations and making all necessary arrangements for the conduct of the examinations.
- (14) Granting of renewal of recognition to the coaching institutions under these Regulations.
- (15) Refunding or transferring of fees received in accordance with these Regulations for the examinations, enrolment, issue of Certificates of Practice and allied matters.
- (16) Registering and noting of suspension/cancellation/termination of articles and/or audit service.
- (17) Permitting articled and/or audit clerks to engage in other occupation as approved by the Council and/or the Committees and granting reduction in the period of articled and/or audit service in accordance with the Regulations.
- (18) Signing all notifications to be issued by the Council, subject to the approval of the President.

- (19) Signing Vakalat Namas on behalf of the Council, appointing Solicitors or Advocates on behalf of the Council, and filing papers in Courts, etc., on behalf of the Council, subject to the approval of the President.
- (20) Calling of such other information and particulars as he considers necessary in furtherance of the above duties.
- (21) Performing such other duties and functions as are incidental and ancillary to and may be required for the performance of the above duties and exercising such other powers as may be delegated by the Council and/or Committees or the President from time to time."

XXIII. For the existing Form 'B', substitute the following Form, namely:—

"FORM B"

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA, NEW DELHI.

Form of application for admission as Associate of the Institute of Chartered Accountants of India.

To

The Secretary to the Council of the Institute of Chartered Accountants of India.

Sir,

I beg to apply for admission as an Associate of the Institute of Chartered Accountants of India. I also hereby declare that I am not subject to any of the disabilities stated in Section 8 of the Chartered Accountants Act, 1949. The required particulars are furnished below:—

1. Name in full (block letters).

2. Father's name.

3. Date of birth*.

4. Nationality.

5. Educational Qualifications.†

6 (a) The year and month in which the applicant passed the Final Examination held under the Chartered Accountants Regulations, 1949† and

(b) Roll No. at that Examination

OR

(a) The year and month in which the applicant passed the Final Examination held under the Auditor's Certificates Rules, 1932† and

(b) Roll No. at that Examination

OR

(a) The year in which the applicant passed the Government Diploma in Accountancy Examination conducted by the Accountancy Diploma Board, Bombay† or the Examination recognised as equivalent thereto.

(b) Roll No. at that Examination

OR

(a) The year and month in which the applicant passed such other examination as is recognised by the Council as equivalent to the Final Examination held under the Chartered Accountants Regulations, 1949, along with the particulars of the Examination†.

(b) Roll No., if any, at that Examination.

7(a) The name of the Chartered Accountant(s) or Registered Accountant(s) or the firm of Chartered Accountants and Registered Accountants under whom the applicant served as an articled clerk or as an audit clerk.

(b) The period of service as an articled clerk or audit clerk together with the dates of commencement and termination

(c) Articles Deed Registration No.(s).

(d) Audit Service Registration No.(s).

*Applicants are requested to produce evidence of their age.

†Original diplomas, Certificates and or other documents, or attested copies thereof, in support of the qualifications claimed must be sent with the application."

- (e) Details of such other practical training which has been recognised by the Council as equivalent to practical training under Chartered Accountants Regulations, 1949.
6. Period of residence in India.
 9. If not an Indian citizen, please state whether Certificate of Indian Domicile has been obtained.
 10. Permanent residential address.
 11. Professional address.
 12. Present residential address.
 13. Occupation in full.
 14. Place or places of business in India.
 15. Whether the applicant is in charge of the place or places mentioned at 14. If not, the name (s) and membership number (s) of the member (s) of the Institute who is (are) in charge of that (those) place (s) and his (their) address (es).
 16. If the applicant is a paid assistant in a firm of Chartered Accountants, name of the firm and from which date.
 17. If the applicant holds a salaried employment other than covered by 16 above, full particulars thereof.
 18. Whether the applicant intends to practise as a Chartered Accountant under the Chartered Accountants Act.
 19. Whether the applicant intends to continue the engagement at 16 or 17 above in addition to practice.
 20. Whether the applicant is engaged in any other business or occupation not covered by 16 or 17 above. If so, full particulars thereof.
 21. Whether the applicant was at any time debarred from practising as an accountant, and if so, the reason and period of suspension.
2. I hereby undertake that if admitted as an Associate of the Institute I will be bound by the provisions of the Chartered Accountants Act, 1949 and the Regulations framed thereunder or that may hereafter from time to time be made pursuant to the said Act.

3. (i) I also send herewith a sum of Rs. ——— being my entrance fee of Rs. ——— and annual membership fee of Rs. ——— for the year.

(ii) A sum of Rs. 25 is also forwarded for the annual Certificate of Practice for the period ending 30th June, ———.

(iii) A sum of Rs. 5 is also forwarded as annual subscription to the Regional Council.

Place:

Date:

Yours faithfully,
Signature.

XXIV. Insert the following paragraph between the existing first and second paragraphs in Form 'K', namely:—

"I further certify that during the above mentioned period the articled clerk was given leave as detailed below for the number of days shown against each category.

- | | |
|--------------------|------------------------------|
| (a) Earned Leave: | days (from..... to.....) |
| (b) Medical Leave: | days (from..... to.....) |
| (c) Study Leave | days (from to)". |

XXV. Insert the following paragraph between the existing first and second paragraphs in Form 'K-1', namely:—

"I further certify that during the above mentioned period the articulated clerk was given leave as detailed below for the number of days shown against each category.

- | | |
|--------------------|--------------------------|
| (a) Earned Leave: | days (from..... to.....) |
| (b) Medical Leave: | days (from..... to.....) |
| (c) Study Leave: | days (from..... to.....) |

XXVI. The following forms shall be added after the existing Form 'S' in the Schedule to the Chartered Accountants Regulations, 1949, namely:—

"FORM 'T'

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA.



Renewal of Certificate of Practice.

This is to certify that the validity of the Certificate in Form—dated— issued in favour of — of — a/an — of the Institute has been extended upto and inclusive of 30th June 19—.

By the authority of the Council

Place:

Date:

Secretary."

"FORM 'U'

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA



Preliminary Examination Certificate

This is to certify that — of — has passed () the Preliminary Examination held by the Institute of Chartered Accountants of India in the month of — 19 —.

* Given under the Common Seal of the Institute of Chartered Accountants of India, this day of —.

Seal

Secretary."

"FORM 'V'

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA



Intermediate Examination Certificate

This is to certify that — of — has passed () the Intermediate Examination held by the Institute of Chartered Accountants of India in the month of — 19 —.

Given under the Common Seal of the Institute of Chartered Accountants of India, this day of —.

Seal

Secretary."

"FORM 'W'*(Form of Supplementary Deed of Articles)*

Articles of apprenticeship made the..... day of one thousand nine hundred and..... between of..... a member of the Institute in practice and whose such practice is his main occupation/employed as a paid assistant to....., Chartered Accountant/in the firm of Chartered Accountants of M/S..... (hereinafter called the Employer) of the first part and..... the Chartered Accountant/the firm of Chartered Accountants employing the employer of the first part (hereinafter called the second Employer) of the second part/..... (hereinafter called the Guardian of the second/third part and..... (hereinafter called the Articled Clerk) of the/Second/Third/Fourth part SUPPLEMENTAL to the Articles of Apprenticeship made the..... between the above mentioned parties for.....

Witness as follows that is to say:—

1. Whereas the abovementioned Articles have expired on the.....and the Articled Clerk has taken more leave of absence during the said period than is permissible under the Chartered Accountants Regulations, 1949, it is hereby agreed by the parties mentioned above that..... the articled clerk, will serve for a further period of..... fromto on the same terms and conditions as are contained in the original deed of articled dated..... registered with the Institute of Chartered Accountants of India vide registration No..... dated the.....

These articles are subject to the Chartered Accountants Regulations, 1949 and may be cancelled under Regulation 39 of those Regulations.

In witness whereof the parties have hereunto set their hands and seals the day and year first above written.

Signed, Sealed and Delivered by
(Employer/first Employer)
in the presence of

Signed, Sealed and Delivered by
(second Employer)
in the presence of

Signed, Sealed and Delivered by
(Guardian)
in the presence of

Signed, Sealed and Delivered by
(Articled Clerk)
in the presence of

NOTE:- Delete words not applicable.

S. VAISH, President.